



2009-2012

STRATEGIC BUSINESS PLAN

TEAMWORK



THE SECRET OF OUR SUCCESS

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*We don't accomplish
anything in the world alone.*

From the Team leader

The City of Fresno Department of Public Utilities (DPU) provides water, wastewater, sewer maintenance, solid waste and community sanitation services to over 500,000 people in the Fresno area. As our mission states, we deliver high-quality utility services professionally, efficiently and in an environmentally responsible manner to ensure the health and safety of our community.

Teamwork is the fuel that allows common people to attain uncommon results.

This Strategic Business Plan document provides a road map for how our organization intends to respond to a dynamic and challenging environment where higher costs for operating expenses such as fuel and energy have exerted strong inflationary pressures on our businesses, where the market for financing our capital assets has become much more volatile and uncertain, where federal and state regulations create ever higher standards and require more resources to achieve, where environmental awareness and natural resources management are increasingly important to our success, where rapidly changing technology is affecting the way we do business and where

customer expectations for service continue to rise steadily. At the same time, we must balance the diverse needs of all our various stakeholder groups including our utility customers, our employees, the development community, other government agencies, as well as City administrators and elected officials.

Our mission, vision and operating principles provide a constant purpose and consistent guidelines for our entire organization of over 650 employees. The mission, vision and operating principles haven't changed much since we last updated our Strategic Business Plan in 2006. However, some of our strategic focus areas and initiatives have changed to adjust to the shifting conditions that we face.

We have established six strategic focus areas that reflect our key priorities and major goals. Those six strategic focus areas are:

- Customer Confidence
- Employee and Organizational Excellence
- Capital Management
- Natural Resources Management
- Public Health and Safety
- Financial Stability

The Financial Stability strategic focus area is new and it reflects the increasing importance of the utility rate setting process and the proper management of all our financial resources. The Department has developed measurable targets that will ensure that we are accountable for achieving the goals established in all our strategic focus areas. Our Divisions have updated their operating plans to develop and implement the appropriate tactics needed to support the Department's strategic focus areas.

Our Strategic Business Plan has been developed and updated through a highly collaborative team effort by a group of over 40 individuals representing various employee levels from all our Divisions. We know from experience that the involvement of a diverse group of employees in plan development is essential to the plan's ultimate success. People tend to commit to achieving only those goals and strategies that they



have helped create. Therefore, we strive to make strategic planning an inclusive, participative and exciting process that engages the hearts and minds of all our planning team members. Our goal is to continuously improve our operations through the successful use of strategic planning as an important management tool. We appreciate all your efforts in helping us to succeed and to achieve the mission, vision and goals of our 2009-2012 Strategic Business Plan.

Rene A. Ramirez
Director of Public Utilities

Strategic Business Planning Process and Model

The Department began its strategic planning process in 2003 and has continued to implement and update its Strategic Business Plan on a recurring and regular basis ever since. This current plan is the second major revision to the original plan.

Strategic planning is a process for developing a strategic plan for our businesses. First, our planning team assessed the Department's current situation by performing an environment scan and a SWOT analysis. Then we determined where we want our Department to be in the future and how best to get there. It's an ongoing process rather than a one-time event. Strategic planning is also a creative process that is based on intuition and experience as well as an analytical process that is based on facts and information. Our goal is to make strategic planning an engaging, stimulating and empowering process that motivates employees to achieve our organizational goals.

Here is a model of the strategic planning process:

CURRENT STATE	FUTURE DESIRED STATE	HOW?	IMPLEMENT PLAN	REVIEW PLAN
Where are we now?	Where do we want to be?	How will we get there?	Who will do what?	How are we doing?
<ul style="list-style-type: none">• Environment Scan• SWOT Analysis• Set Strategic Priorities	<ul style="list-style-type: none">• Mission• Vision• Operating Principles	<ul style="list-style-type: none">• Strategic Focus Areas• Programs and Initiatives	<ul style="list-style-type: none">• Division Strategic Business Plans• Division Action Plans, Tactics	<ul style="list-style-type: none">• Quarterly Strategy Reviews

On page 20 of this document, you will find a glossary that will help you better understand the meaning of the above terms.

Our Foundations

DEPARTMENT MISSION

Our mission defines our organization's reason for being and how we intend to serve our stakeholders.

We deliver high quality utility services professionally, efficiently and in an environmentally responsible manner to ensure the health and safety of our community.

DEPARTMENT VISION

Our vision identifies where our organization intends to be in the future to meet the needs of our various stakeholders.

We are nationally recognized as a leading public utilities organization.

DEPARTMENT OPERATING PRINCIPLES

These are guiding principles for our daily actions and interactions throughout the DPU organization:

SAFETY — We provide our services with safety as our highest priority.

CUSTOMER DRIVEN — We anticipate and respond to the needs and interests of our customers in a respectful, reliable and professional manner.

EMPLOYEE FOCUSED — We trust, value and support the efforts and accomplishments of all our employees.

FINANCIAL MANAGEMENT — We provide the best value for our customers by performing our work in a cost effective and innovative manner with the appropriate utility rates.

ENVIRONMENTAL RESPONSIBILITY AND SUSTAINABILITY — We plan and manage our operations as guardians of our natural resources.



OUR PEOPLE

Working Together Toward Our Goals

Strategic Focus Areas are the important goals we want to achieve.



CUSTOMER CONFIDENCE — We provide quality service to our customers in a professional, friendly and timely manner.



EMPLOYEE AND ORGANIZATIONAL EXCELLENCE — We promote a superior performing workforce through effective communications, training, development, and recognition.



CAPITAL MANAGEMENT — We plan, maintain, monitor, and improve the utility infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality service.



NATURAL RESOURCES MANAGEMENT — We are proactive stewards of regional natural resources by balancing community growth, environmental responsibility, and the needs of present and future generations.



PUBLIC HEALTH AND SAFETY — We ensure the health and safety of the community while providing life's essential services.



FINANCIAL STABILITY — We maintain the utility's financial integrity and stability to meet our stakeholders' needs while ensuring appropriate utility rates through effective budgeting and long-term financial planning.

Each of the above Strategic Focus Areas is discussed in more detail on the following pages.

Sewer Maintenance Division



The Sewer Maintenance Division is committed to protecting Fresno’s \$1 billion infrastructure. It’s also committed to keeping its hardworking employees safe.

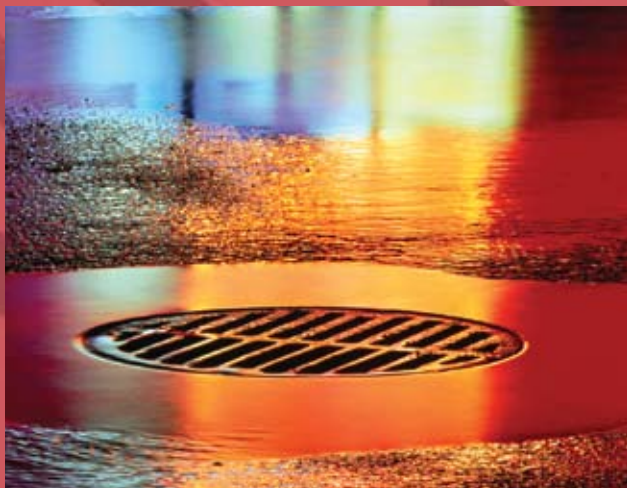
The Sewer Division went nearly 3½ years (1,274 days) without a single injury. That’s because the Division launched the “Slow for the Cone Zone” campaign. With the safety of its maintenance workers in mind, the Sewer Division created the campaign to help protect City employees who work in the middle of intersections on a daily basis.

The Sewer Maintenance Division maintains 1,500 miles of pipeline and 15 lift stations in the sewer collection system.

With 22,000+ manholes and nearly 1,500 miles of sewer line, the Sewer Division’s 35 employees and 10 sewer cleaning trucks clean an average of 3,000 to 5,000 feet of sewer mainline per truck per day.

The average household generates 290 gallons of wastewater daily, from everyday activities such as taking a shower or washing dishes and clothes. This results in 70 million gallons of wastewater traveling to the treatment plant every day. The City experiences more than 80 sewer line blockages every year — with 83% due to grease and roots in the line.

With the continued efforts of residents following the Sewer Division’s campaign against tossing fats, oils and greases down the drain, the sewer line can stay clean and free of clogs. And with the cooperation of the City’s drivers and the Sewer Maintenance Division’s commitment to safety, City workers can continue to focus on their jobs and protect the City’s billion-dollar infrastructure.



Customer Confidence

STRATEGIC GOAL

We provide quality service to our customers in a professional, friendly and timely manner.

STRATEGIC INITIATIVES

- Identify and provide customer service standards of performance for DPU employees.
- Encourage and promote customer service training to DPU employees.
- Assess feedback through customer satisfaction surveys, workshops, focus groups, and community meetings. Implement recommendations for improvement.
- Establish performance measures to enhance customer confidence.
- Promote recognition programs for employees who demonstrate outstanding customer service.



Wearing the same shirts doesn’t make you a team.

Community Sanitation Division



Fresno's Community Sanitation Division makes sure our City stays clean. From monthly street-sweeping to Operation Clean Up events, the Division is committed to keeping our City litter-free.

But did you know that the Sanitation Division is also a global leader in new clean technology?

In May 2008, Fresno introduced the world's first commercially-operated, compressed natural gas (CNG) powered, plug-in, hybrid, refuse truck. This trash truck is the first in the world to combine a natural gas engine with a rechargeable electric hybrid drive system.

The Community Sanitation Division sweeps 114,000 miles of streets every year.

Some of the truck's environmental benefits include a 40% improvement in fuel economy and the ability to operate in all-electric mode for over 10 miles. The most beneficial aspect? A 90% reduction in smog-forming emissions.

Thanks to the Sanitation Division's teamwork with local agencies and companies, the City of Fresno is saving an estimated \$1,400 in annual fuel costs, which will also help improve Fresno's air quality. Together, DPU employees and local citizens continue to make the City a cleaner community.



Employee and Organizational Excellence

STRATEGIC GOAL

We promote a superior performing workforce through effective communications, training, development, and recognition.

STRATEGIC INITIATIVES

- Improve our ability to recruit a superior performing workforce.
- Enhance workforce knowledge, skills, and abilities through training and professional development.
- Foster leadership throughout the organization.
- Develop recognition strategies to reinforce a superior performing workforce.
- Develop and implement programs to foster workplace safety and health.
- Assess feedback from annual employee satisfaction surveys, and implement recommendations for improvement.



Sticks in a bundle are unbreakable.

Wastewater Management Division



In 2006, the City of Fresno Wastewater Management Division won the EPA's National Clean Water Act Recognition Award in the Pretreatment Program Excellence category. This category recognizes publicly owned treatment works that have outstanding local pretreatment programs. The Wastewater Management Division was awarded for creating an innovative, cost-effective, and customer-targeted program that has reduced the amount of pollutants entering the sewer system.

“The Seriousness of Salt” campaign encourages residents to “Use Less, Choose Wisely” and offers tips on how to prevent groundwater pollution, such as conserving water, disconnecting salt-based water softener systems and using smaller amounts of cleaning products. This proactive campaign united the community by informing them that salts can ruin our water supply if residents fail to work together to conserve water and use fewer salt-based products.

The Wastewater Division processes, treats and reclaims more than 70 million gallons of wastewater every day.

The Wastewater Management Division was recognized at state level as Plant of the Year in 2007 and as Safety Plant of the Year in 2008. Also in 2008, the Division won local recognition for Mechanical Technician Person of the Year, Operator of the Year, Laboratory Person of the Year and Electrical/Instrumentation Person of the Year.



RECLAIMED
WATER



Capital Management

STRATEGIC GOAL

We plan, maintain, monitor, and improve the utility infrastructure in a cost effective manner to ensure sustainable delivery of reliable, high quality service.

STRATEGIC INITIATIVES

- Perform timely updates and annual review of master infrastructure plans.
- Provide supporting utility infrastructure to ensure a vibrant downtown area.
- Coordinate and prioritize capital projects to support community growth, general plan implementation, infrastructure integrity, and regulatory requirements.
- Preserve infrastructure through preventative maintenance and asset management.
- Coordinate project implementation with other divisions, departments, and agencies.
- Complete capital projects on time and on budget.
- Adequately provide for infrastructure and information technology security.



It is amazing how much you can accomplish when it doesn't matter who gets the credit.

Solid Waste Management Division



2009 has proven to be the best year yet for the Solid Waste Management Division. In February, Fresno reached its greatest achievement to date in its recycling efforts: Fresno was ranked the number one recycling city in the nation by Men’s Health Magazine!

And in January, Fresno was also ranked highest in the state among larger cities by the California Integrated Waste Management Board for diverting 71% of its solid waste from landfills and into the City’s recycling programs.

The 170 waste collectors travel nearly 1.8 million miles servicing more than 17 million containers and collecting 400,000 tons of refuse and recyclables every year.

Fresno has continued to work toward its goal of “Zero Waste.” From constantly improving recycling programs to increasing community outreach over the past 18 months, Fresno is well on its way to reaching the 75% Waste Diversion Rate by 2012 and the Zero Waste goal by 2025.

This milestone couldn’t be reached without the community’s effort to rethink, reduce, reuse and recycle. When residents work together to recycle, the Solid Waste Management Division can make incredible strides in its commitment to creating a cleaner community. And Fresno has displayed an unprecedented amount of teamwork and dedication that will enable the community to achieve its Zero Waste goal.



Natural Resources Management

STRATEGIC GOAL

We are proactive stewards of regional natural resources by balancing community growth, environmental responsibility, and the needs of present and future generations.

STRATEGIC INITIATIVES

- Ensure and retain an adequate water supply.
- Plan and implement the use of 25,000 acre feet of recycled water by 2025.
- Enhance conjunctive use of surface water and groundwater in water management programs.
- Reduce water consumption 20% by expanding water conservation programs by 2025.
- Enhance solid waste recycling/reuse and “zero waste” programs.
- Explore organic and food waste processes for alternative energy.
- Protect water quality through the use of best management practices for pollution and plume management remediation treatment and control.
- Protect air quality through new and innovative technologies and use of alternative energy.
- Develop and implement electronic waste, universal waste and household hazardous waste management programs.

Never doubt that a small group of thoughtful, committed people can change the world. Indeed, it is the only thing that ever has.

Water Division



The Water Division is committed to providing safe, reliable and affordable drinking water. The Division delivers high-quality, uninterrupted drinking water around the clock to about 122,000 residential, commercial and industrial customers in an area covering more than 110 square miles, including County Islands within the City's Sphere of Influence. The Division also contributes to public safety by working with the Fire Department to ensure proper water flow in the City's numerous hydrants.

The Water Division delivers more than 50 billion gallons of drinking water annually through over 1,750 miles of water main.



The success of the Water Division largely depends on its customers. When residents follow the seasonal watering schedule and water during proper times, when they repair leaks, or when they turn off the faucet while brushing their teeth, they help reduce water demands in the community. By educating and assisting customers, the Division's Water Conservation program has helped stretch and subsequently protect the City's finite water supply.

Water meters will also play a pivotal role in conserving water. By using water wisely every day, the community will be better able to cope with periods of drought and severe water shortages. The water meter program, a requirement of the Central Valley Project (CVP) contract with the U.S. Bureau of Reclamation, will have all City of Fresno water customers using water meters and paying a metered rate based on usage by 2013. CVP water represents 40% of the City's water supply.

As the Water Division continues to provide high-quality drinking water, customers help the Division with their water conservation efforts. Now that's teamwork.



Public Health and Safety

STRATEGIC GOAL

We ensure the health and safety of the community while providing life's essential services.

STRATEGIC INITIATIVES

- Comply with local, state and federal health standards.
- Protect the safety of the public while delivering our services.
- Deal effectively with emergencies through proper planning, implementation and training.
- Maximize the use of technology in the monitoring of utility processes and vulnerabilities.
- Provide leadership and advocacy in the formation of public health and safety regulations.



***Individually,
we are one drop.
Together, we
are an ocean.***

CONSERVATION

Financial Stability

STRATEGIC GOAL

We maintain the utility's financial integrity and stability to meet our stakeholders' needs while ensuring appropriate utility rates through effective budgeting and long-term financial planning.

STRATEGIC INITIATIVES

- Utilize a sound process to continuously evaluate rate plans, develop and implement reserve policies, and long-term financial planning.
- Utilize technologies to manage costs and improve service.
- Explore diverse funding sources through grants, partnerships, and incentives.
- Develop budgets and long-term financial plans that reflect the Department's priorities and meet financial policies.
- Secure adequate funding to implement master infrastructure plan.

Teamwork:
*Simply stated, it is less me
and more we.*

LONG-TERM
PLANNING &
RATE SETTING



Glossary

MISSION: Our organization’s reason for being and how we intend to serve our stakeholders.

VISION: Identifies where our Department intends to be in the future to meet the needs of stakeholders.

OPERATING PRINCIPLES: Set of beliefs, values or standards that our Department and its stakeholders believe in and use to guide the day-to-day operations.

STRATEGIC FOCUS AREAS: The important goals or outcomes we want to achieve.

STRATEGIC INITIATIVES: The courses of action or programs used to achieve goals.

TACTICS: Short-term tasks, objectives or action steps that make up a strategic initiative. They are developed at a Division level and indicate what will be done, when and by whom.

TARGETS: Numerical objectives based on time, cost, number of activities, etc. They are related to strategic focus areas, strategic initiatives and tactics.

ENVIRONMENT SCAN: A strategic assessment of external trends that can either help or hurt our organization in the future, leading to a definition of opportunities and threats.

SWOT ANALYSIS: An analysis of our organization’s strategic situation, including internal strengths and weaknesses and external opportunities and threats.

STRENGTHS: Current capabilities that are superior to those of competitors or other similar organizations for meeting important customer needs.

WEAKNESSES: Areas in current capabilities that prevent the organization from achieving advantage and/or meeting important customer needs or strategic objectives.

OPPORTUNITIES: Trends, events and ideas that can be capitalized on to increase future performance. Common opportunities include new markets, new technologies, new products or services, geographic expansion, acquisitions, divestitures, a faltering competitor, and cost reductions.

THREATS: Possible events outside of our control that we need to plan for or decide how to mitigate or offset. Typical threats include competitor growth, cost inflation, legislation or regulations that will increase costs or a declining market for our products or services.

Strategic Planning
Team Members

The Department wishes to thank the following people for their participation, time and effort in developing this Strategic Business Plan:

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Providing Life's Essential Services



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